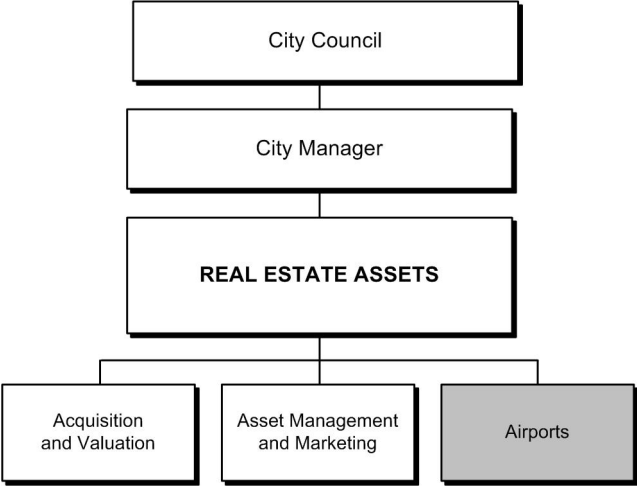




Real Estate Assets



Real Estate Assets

Mission Statement

To manage the City's real estate activities for the greatest benefit to the residents of San Diego, to manage the municipal airports to provide safe and efficient operations, and to meet the aviation needs of San Diego.

Department Description

The Real Estate Assets Department provides real estate services for the City of San Diego including property management, leasing, marketing, easements, permits for access, appraisals, valuations, relocations and acquisitions. The Department also manages two general aviation airports for the residents of San Diego.

Budget Dollars at Work

\$42 Million in Citywide lease revenue
660 Leases covering 24,594 acres managed
180 Acres worth \$21 million acquired in Fiscal Year 2003
50 Business and residential relocations in conjunction with acquisitions
\$805,000 Appropriated for environmental and construction contracts resulting in the demolition of structures and asbestos removal at Brown Field Airport

Service Efforts and Accomplishments

Real Estate Assets has reached a number of milestones during Fiscal Year 2002 and Fiscal Year 2003. These milestones include generating over \$42 million in lease revenue in Fiscal Year 2002 and in Fiscal Year 2003, renegotiation of Bahia Hotel percentage rates to market; issuing a Request for Qualifications for the redevelopment of the Midway area; negotiation with the United States Golf Association to hold the 2008 U.S. Open at Torrey Pines Municipal Golf Course; acquiring 56 acres in the Del Mar Mesa area for approximately \$1.9 million for the Open Space/Multiple Species Conservation Program; and beginning the

construction phase of a \$2 million project to upgrade the electrical system at Montgomery Field Airport.

Future Outlook

For Fiscal Year 2004, Real Estate Assets will be acquiring more land for the Multiple Species Conservation Program; acquiring land for the development of several new libraries; and completing upgrades at Montgomery Field Airport and a pavement rehabilitation at Brown Field Airport.

Real Estate Assets

Division/Major Program Descriptions

Acquisition and Valuation

The Acquisition and Valuation Division provides complete valuation, acquisition and relocation services for the City of San Diego, including appraisal and acquisition of sites for public facilities, parks, open space and rights-of-way for Street Division's utility purposes. Additional services provided by this Division include appraisals for lease and/or sale of City properties, estimates of value for feasibility studies, estimates of land and rights-of-way acquisition costs, and consultation and expert witness services to the City Attorney's Office in connection with condemnation actions and other litigation issues.

Airports

The Airports Division manages two General Aviation Airports: Montgomery Field and Brown Field. This Division provides safety, security and emergency response for aviation activities; coordinates special events and maintains buildings, grounds and other airport facilities. Airport Operations patrols aircraft operating areas, collects airport user fees and administers airport improvement programs. The Noise Abatement Program attempts to minimize aircraft noise impacts on surrounding communities by monitoring aircraft noise levels, enforcing airport noise regulations, educating local and transient pilots, and resolving citizen noise complaints. Budget and Administration is responsible for preparation of the Division's budget, overseeing revenues and expenditures and providing administrative support for all of the airport operations at Montgomery and Brown Field airports.

Asset Management and Marketing

The Asset Management and Marketing Division is responsible for managing and leasing City owned property; acquiring property leaseholds for municipal purposes; marketing and managing industrial and excess City owned property; granting easements and permits to public and private entities for needed utilities and other uses; dedicating and designating City owned parcels for specific uses; and performing special projects.

Real Estate Assets				
	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED	FY 2003-2004 CHANGE
Positions	72.14	70.39	69.14	(1.25)
Personnel Expense	\$ 4,545,412	\$ 5,016,620	\$ 5,370,379	\$ 353,759
Non-Personnel Expense	\$ 1,898,835	\$ 2,114,575	\$ 2,109,078	\$ (5,497)
TOTAL	\$ 6,444,247	\$ 7,131,195	\$ 7,479,457	\$ 348,262

Real Estate Assets

Department Staffing

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
GENERAL FUND			
Real Estate Assets			
Asset Management & Marketing	28.10	27.23	26.35
Management	3.84	3.34	3.34
Real Estate Aquisition/Valuation	17.70	17.32	16.95
Total	49.64	47.89	46.64
CITY AIRPORT FUND			
Airports			
Airport Management	6.00	6.00	6.00
Brown Field	8.75	8.75	8.75
Montgomery Field	6.75	6.75	6.75
Noise Abatement	1.00	1.00	1.00
Total	22.50	22.50	22.50

Department Expenditures

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
GENERAL FUND			
Real Estate Assets			
Asset Management & Marketing	\$ 2,268,502	\$ 2,293,080	\$ 2,372,178
Management	\$ 40,866	\$ 345,997	\$ 363,140
Real Estate Aquisition/Valuation	\$ 1,468,662	\$ 1,460,075	\$ 1,544,515
Real Estate Assets	\$ 1	\$ -	\$ -
Total	\$ 3,778,031	\$ 4,099,152	\$ 4,279,833
CITY AIRPORT FUND			
Airports			
Airport Management	\$ 574,417	\$ 543,105	\$ 599,851
Brown Field	\$ 1,070,679	\$ 1,223,993	\$ 1,267,061
Montgomery Field	\$ 905,648	\$ 1,186,252	\$ 1,249,731
Noise Abatement	\$ 115,473	\$ 78,693	\$ 82,981
Total	\$ 2,666,216	\$ 3,032,043	\$ 3,199,624

Real Estate Assets

Significant Budget Adjustments

CITY AIRPORT FUND

Airports	Positions	Cost
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2003 negotiated salary compensation schedule, Fiscal Year 2004 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation.	0.00	\$ 168,130
Support for Contractual Services Increase to miscellaneous contractual services.	0.00	\$ 54,000
Support for Information Technology Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses.	0.00	\$ (6,306)
Non-Discretionary Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.	0.00	\$ (48,243)

GENERAL FUND

Real Estate Assets	Positions	Cost
Salary and Benefit Adjustments Adjustments to reflect the annualization of the Fiscal Year 2003 negotiated salary compensation schedule, Fiscal Year 2004 negotiated salaries and benefits, changes to average salaries, retirement contributions and other benefit compensation.	0.00	\$ 269,311
Support for Information Technology Funding has been reallocated according to a Citywide review of information technology budget requirements and priority analyses.	0.00	\$ (1,779)
Non-Discretionary Adjustments to reflect expenses that are determined outside of the Department's direct control. Examples of these adjustments include utilities, insurance, and rent.	0.00	\$ (4,377)
Reduction of 0.75 Administrative Aide II and 0.50 Associate Property Agent The reduction of 0.75 Administrative Aide II and 0.50 Associate Property Agent will result in a reduction in leasing services and administrative support to various activities in Real Estate Assets.	(1.25)	\$ (82,474)

Real Estate Assets

Expenditures by Category

		FY2002 ACTUAL		FY2003 BUDGET		FY2004 PROPOSED
PERSONNEL						
Salaries & Wages	\$	3,551,507	\$	3,852,967	\$	3,957,944
Fringe Benefits	\$	993,905	\$	1,163,653	\$	1,412,435
SUBTOTAL PERSONNEL	\$	4,545,412	\$	5,016,620	\$	5,370,379
NON-PERSONNEL						
Supplies & Services	\$	1,570,688	\$	1,526,219	\$	1,546,649
Information Technology	\$	72,255	\$	297,800	\$	282,887
Energy/Utilities	\$	233,159	\$	266,706	\$	255,692
Equipment Outlay	\$	22,734	\$	23,850	\$	23,850
SUBTOTAL NON-PERSONNEL	\$	1,898,835	\$	2,114,575	\$	2,109,078
TOTAL	\$	6,444,247	\$	7,131,195	\$	7,479,457

Key Performance Measures

	FY 2002 ACTUAL	FY 2003 BUDGET	FY 2004 PROPOSED
Average cost per aircraft operation facilitated at ⁽¹⁾ Brown Field	\$4.41	\$5.40	\$2.34
Average cost per aircraft operation facilitated at ⁽¹⁾ Montgomery Field	\$2.27	\$1.90	\$4.62
Average cost per Lease	\$2,621	\$2,215	\$2,212
Average cost per Acquisition	\$5,533	\$5,239	\$5,512
Average cost per Relocation	\$7,877	\$3,955	\$4,133

(1) The number of aircraft operations continues to fluctuate from year-to-year due to tighter FAA restrictions on general aviation volatile enrollment in flight training programs.

Real Estate Assets

Salary Schedule

GENERAL FUND

Real Estate Assets

<i>Class</i>	<i>Position Title</i>	<i>FY 2003 Positions</i>	<i>FY 2004 Positions</i>	<i>Salary</i>		<i>Total</i>
1104	Account Clerk	0.50	0.50	\$	32,816	\$ 16,408
1107	Administrative Aide II	1.75	1.00	\$	44,193	\$ 44,193
1218	Assoc Management Analyst	1.00	1.00	\$	55,512	\$ 55,512
1228	Assoc Property Agent	13.50	13.00	\$	55,854	\$ 726,106
1237	Payroll Specialist I	1.00	1.00	\$	35,077	\$ 35,077
1348	Info Systems Analyst II	1.00	1.00	\$	56,145	\$ 56,145
1532	Intermediate Stenographer	1.00	1.00	\$	34,162	\$ 34,162
1746	Word Processing Operator	2.00	2.00	\$	33,015	\$ 66,029
1756	Property Agent	12.00	12.00	\$	64,152	\$ 769,827
1776	Public Information Clerk	2.00	2.00	\$	33,064	\$ 66,127
1844	Sr Account Clerk	1.00	1.00	\$	38,198	\$ 38,198
1876	Executive Secretary	1.07	1.07	\$	46,240	\$ 49,477
1917	Supv Management Analyst	1.00	1.00	\$	71,077	\$ 71,077
1929	Supv Property Agent	6.00	6.00	\$	71,233	\$ 427,396
2111	Asst City Manager	0.01	0.01	\$	172,100	\$ 1,721
2153	Deputy City Manager	0.06	0.06	\$	163,400	\$ 9,804
2177	Real Estate Assets Director	1.00	1.00	\$	123,324	\$ 123,324
2214	Deputy Director	2.00	2.00	\$	110,043	\$ 220,085
Total		47.89	46.64			\$ 2,810,668

CITY AIRPORT FUND

Airports

<i>Class</i>	<i>Position Title</i>	<i>FY 2003 Positions</i>	<i>FY 2004 Positions</i>	<i>Salary</i>		<i>Total</i>
1105	Administrative Aide I	1.00	1.00	\$	37,987	\$ 37,987
1116	Noise Abatement Officer	1.00	1.00	\$	57,532	\$ 57,532
1117	Airport Operations Assistant	4.00	4.00	\$	36,677	\$ 146,708
1118	Airport Manager	2.00	2.00	\$	54,440	\$ 108,880
1218	Assoc Management Analyst	1.00	1.00	\$	55,514	\$ 55,514
1228	Assoc Property Agent	1.00	1.00	\$	55,854	\$ 55,854
1348	Info Systems Analyst II	1.00	1.00	\$	56,143	\$ 56,143
1535	Clerical Assistant II	1.00	1.00	\$	30,468	\$ 30,468
1746	Word Processing Operator	1.00	1.00	\$	33,015	\$ 33,015
1756	Property Agent	2.00	2.00	\$	64,152	\$ 128,304
1808	Sr Airport Operations Asst	2.00	2.00	\$	40,345	\$ 80,690
1855	Sr Civil Engineer	0.50	0.50	\$	81,580	\$ 40,790
1879	Sr Clerk/Typist	1.00	1.00	\$	38,040	\$ 38,040

Real Estate Assets

Salary Schedule (continued)

CITY AIRPORT FUND

Airports

<i>Class</i>	<i>Position Title</i>	<i>FY 2003 Positions</i>	<i>FY 2004 Positions</i>	<i>Salary</i>		<i>Total</i>
1929	Supv Property Agent	1.00	1.00	\$	71,234	\$ 71,234
1979	Utility Worker II	2.00	2.00	\$	34,136	\$ 68,272
2214	Deputy Director	1.00	1.00	\$	110,016	\$ 110,016
	Ex Perf Pay-Classified	0.00	0.00	-	\$	2,595
	Overtime Budgeted	0.00	0.00	-	\$	25,234
	Total	22.50	22.50			\$ 1,147,276
REAL ESTATE ASSETS TOTAL		70.39	69.14			\$ 3,957,944

Five-Year Expenditure Forecast

	FY 2004 PROPOSED	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST	FY 2008 FORECAST
Positions	69.14	69.14	69.14	69.14	69.14
Personnel Expense	\$ 5,370,379	\$ 5,531,490	\$ 5,697,435	\$ 5,868,358	\$ 6,044,409
Non-Personnel Expense	\$ 2,109,078	\$ 2,172,350	\$ 2,237,521	\$ 2,304,647	\$ 2,373,786
TOTAL EXPENDITURES	\$ 7,479,457	\$ 7,703,840	\$ 7,934,956	\$ 8,173,005	\$ 8,418,195

Real Estate Assets

Fiscal Year 2005

No major projected requirements.

Fiscal Year 2006

No major projected requirements.

Fiscal Year 2007

No major projected requirements.

Fiscal Year 2008

No major projected requirements.

Real Estate Assets

Revenue and Expense Statement

CITY AIRPORT FUND 41100

	FY 2002 ACTUAL	FY 2003 ESTIMATED	FY 2004 PROPOSED
BEGINNING BALANCE AND RESERVE			
Balance from Prior Year	\$ 3,532,866	\$ 5,447,607	\$ 6,621,503
Prior Year Reserves	\$ 1,283,107	\$ 1,283,107	\$ 711,656
TOTAL BALANCE	\$ 4,815,973	\$ 6,730,714	\$ 7,333,159
REVENUE			
Airport Fees	\$ 331,967	\$ 377,602	\$ 396,482
CIP Grants	\$ 168,835	\$ 260,000	\$ 400,000 ⁽¹⁾
Fund Interest	\$ 311,328	\$ 280,000	\$ 200,000
Leases - Aviation/Non-Aviation	\$ 2,696,491	\$ 2,716,146	\$ 2,641,588
Leases to Other City Departments	\$ 314,331	\$ 265,248	\$ 265,923
Miscellaneous Revenue	\$ 923,054	\$ 119,192	\$ 272,228
Operating Grants	\$ 93,070	\$ 900,000	\$ -
TOTAL REVENUE	\$ 4,839,076	\$ 4,918,188	\$ 4,176,221
TOTAL BALANCE AND REVENUE	\$ 9,655,049	\$ 11,648,902	\$ 11,509,380
EXPENSE			
CAPITAL IMPROVEMENTS PROGRAM (CIP)			
Capital Improvements Program	\$ 52,322	\$ 654,000	\$ 400,000 ⁽¹⁾
Grant Funded Capital Improvements Program	\$ 168,835	\$ 629,700	\$ - ⁽²⁾
TOTAL CIP EXPENSE	\$ 221,157	\$ 1,283,700	\$ 400,000
OPERATING EXPENSE			
Non-Personnel Expense	\$ 1,332,768	\$ 1,583,262	\$ 1,182,887
Personnel Expense	\$ 1,333,448	\$ 1,448,781	\$ 1,616,737
Prior year Expense	\$ 36,962	\$ -	\$ -
TOTAL OPERATING EXPENSE	\$ 2,703,178	\$ 3,032,043	\$ 2,799,624
TOTAL EXPENSE	\$ 2,924,335	\$ 4,315,743	\$ 3,199,624
RESERVE			
Continued Appropriations Encumbered	\$ 206,625	\$ -	\$ -
Reserve for Continuing Appropriations - CIP	\$ 953,068	\$ 594,686	\$ 550,000
Reserve for Encumbrances	\$ 123,414	\$ 116,970	\$ 136,000
TOTAL RESERVE	\$ 1,283,107	\$ 711,656	\$ 686,000
TOTAL RESERVE	\$ 1,283,107	\$ 711,656	\$ 686,000
BALANCE	\$ 5,447,607	\$ 6,621,503	\$ 7,623,756
TOTAL EXPENSE, RESERVE AND BALANCE	\$ 9,655,049	\$ 11,648,902	\$ 11,509,380

(1) CIP grant revenues and expenses cannot be determined until grants are applied for, approved and accepted for Fiscal Year 2004.

(2) \$400,000 of non-personnel expense is used to pay the city share of reimbursable grant funded projects and the full cost of all non-reimbursable CIP projects.